



# OCC BULLETIN

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Comptroller of the Currency  
Administrator of National Banks

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Subject: Credit Card Lending

Description: Account Management and  
Loss Allowance Guidance

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**TO:** Chief Executive Officers of National Banks, Department and Division Heads, and All Examining Personnel

The Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation, the Board of Governors of the Federal Reserve System, and the Office of Thrift Supervision (the agencies) have jointly issued the attached “Account Management and Loss Allowance Guidance for Credit Card Lending.” The purpose of the guidance is to ensure that financial institutions conduct credit card lending in a safe and sound manner by establishing sound account management, risk management, and loss allowance practices. The guidance is applicable to all institutions engaged in credit card lending.

The guidance was developed in response to inappropriate account management and loss allowance practices disclosed during examinations of institutions engaged in credit card lending. As a result, the guidance communicates the agencies’ expectations regarding:

- Credit line management,
- Over-limit practices,
- Minimum payments and negative amortization,
- Workout and forbearance practices,
- Income recognition and loss allowance practices, and
- Policy exceptions.

The guidance is effective immediately; however, the OCC recognizes that some institutions may require additional time to implement changes in policies, practices, and systems in order to achieve full consistency with the guidance on credit card account management. In those cases, the institutions should work with the OCC to ensure the implementation of necessary changes as promptly as possible.

With respect to income recognition and loss allowance practices for credit card lending, the issuance reflects generally accepted accounting principles (GAAP), existing interagency policies on loss allowances, and current call report instructions. The OCC expects continued and ongoing compliance with GAAP and the other previously established reporting instructions.

For further information, please contact the Credit Risk Division at (202) 874-5170.

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Emory W. Rushton  
Senior Deputy Comptroller and Chief National Bank Examiner  
Bank Supervision Policy

Attachment